



Nathan Deal
Governor

GEORGIA ENVIRONMENTAL FINANCE AUTHORITY

Kevin Clark
Executive Director

October 29, 2015

Re: Pre-application submission for inclusion in the 2016 Clean Water State Revolving Fund (CWSRF) Intended Use Plan (IUP)

Dear Local Government Official:

The Georgia Environmental Finance Authority (GEFA) is pleased to offer the opportunity to Georgia's cities, counties, water and sewer authorities, non-governmental organizations (NGO) and community improvement districts (CID) to submit projects to be included for funding through the CWSRF loan program. This program provides low-interest financing for projects involving publicly-owned wastewater systems, non-point source pollution control systems and other projects that will improve water quality. The 2016 allotment from the U.S. Environmental Protection Agency (EPA), coupled with existing funds and existing loan repayments, will make available approximately \$300 million for water quality projects.

To be eligible for funding, entities must have their projects listed within the 2016 IUP; however, having a project listed within the IUP does not obligate a city, county, water and sewer authority, NGO or CID to apply for funding.

For a project to be listed in the 2016 CWSRF IUP, each city, county, water and sewer authority, NGO or CID must:

- Complete the CWSRF pre-application
- Submit the completed pre-application via the GEFA website no later than **Thursday December 31, 2015**. (See Project Submission Guidelines and Program Requirements.)

The pre-application and additional guidance are available at <http://gefa.georgia.gov/2016-state-revolving-fund-solicitation>.

Projects requesting CWSRF financing will be selected for funding on the basis of the enclosed Project Ranking Criteria. The pre-application is designed to help potential loan applicants describe proposed projects and the water quality benefit of the project. GEFA will use the project information provided within these pre-applications to numerically rank each project and develop a priority list that will accompany GEFA's IUP to the EPA. It is important that you complete the pre-application in its entirety to ensure that the proposed project is accurately scored.

At the time of this letter, the 2016 CWSRF funding allotment has not been identified and it is not yet known whether principal forgiveness will be available. Once the funding allotment is identified, any principal forgiveness will be applied to the 2016 CWSRF project list. If the funding allotment does include principal forgiveness, the CWSRF program will allocate principal forgiveness only to those communities that are eligible to receive these funds according to the 2016 CWSRF Affordability Criteria identified within. Additionally, the CWSRF program will implement strict project-related deadlines for any project that is awarded principal forgiveness. Please review the information within this solicitation letter for more details concerning the project-related deadlines.

Sincerely,

Kevin Clark
Executive Director

Georgia Environmental Finance Authority
2016 CWSRF Project Solicitation
Project Submission Guidelines and Program Requirements

All pre-applications must be submitted via <http://gefa.georgia.gov/2016-state-revolving-fund-solicitation>. Pre-applications will only be accepted via the GEFA website.

Deadline	Pre-application Website	Questions
5:00 pm December 31, 2015	http://gefa.georgia.gov/2016-state-revolving-fund-solicitation	Michael Roberts 404-584-1107 mroberts@gefa.ga.gov

WHO CAN APPLY FOR CWSRF LOANS

- Georgia cities
- Georgia counties
- Georgia water and sewer authorities
- Community Improvement Districts (CID)
- Any state or local authority created by the Georgia General Assembly
- Non-governmental Organizations (NGO's)

MINIMUM CRITERIA FOR ELIGIBILITY

1. Only those counties and municipalities certified as Qualified Local Governments by the Georgia Department of Community Affairs (DCA) and the water and sewer authorities within those certified governments may receive funding under this program.
2. Only applicants within counties that have current DCA-certified Service Delivery Agreements (HB 489) may receive funding under this program and the proposed project must be consistent with the verified strategy.
3. Applicants must be in compliance with state audit requirements. Compliance questions can be answered at www.audits.state.ga.us.
4. All applicants within the Metro North Georgia Water Planning District must be certified by the director of the Georgia Environmental Protection Division (EPD) as either being in compliance or making a good faith effort to comply with all District Plans and/or enforcement measures.
5. Project must conform to applicant's regional water plan, once adopted.
6. All applicants must adopt and enforce the state minimum standard plumbing code provisions outlined in O.C.G.A. 8-2-3 in order to be eligible to receive funding. These provisions incorporate the state's minimum standard plumbing code.

ELIGIBLE CWSRF PROJECTS INCLUDE:

- Construction, renovation or expansion of a publicly-owned treatment works;
- Installation of sewer systems;
- Combined sewer overflow (CSO) projects;
- Construction, repair or replacement of decentralized wastewater treatment systems that treat municipal wastewater or domestic sewage;
- Construction and rehabilitation of municipal storm sewer systems (MS4s);
- Purchase of street and storm sewer cleaning equipment;
- Projects to increase the security of publicly owned treatment works; and
- Implementation of measures to manage, reduce, treat, reuse, recycle or recapture stormwater or subsurface drainage water.

CWSRF WATER, ENERGY OR LAND CONSERVATION PROJECTS INCLUDE:

- Construction, renovation or expansion of wastewater recycling and reuse facilities that replace potable sources with non-potable sources;
- Installing or retrofitting water efficient devices, such as plumbing fixtures and appliances;
- Implementing incentive programs to conserve water such as rebates for water efficient fixtures;
- Projects which reduce energy consumption at publicly-owned treatment works, such as correction of infiltration/inflow problems, lighting upgrades, pump and motor replacement projects and the implementation of energy efficient treatment processes;
- Power production projects via wind, solar, and biogas that provide a benefit to the publicly-owned treatment works;
- Acquisition of buffer zones and/or wetlands;
- Streambank restoration projects;
- Installation of green infrastructure; and
- Purchase land for land conservation purposes.

HOW PROJECTS ARE PRIORITIZED

All pre-applications submitted will be scored by GEFA on a 100-point scale. The Project Ranking Criteria are based on such attributes as Readiness to Proceed, Compliance Benefit, Project Benefits and Other Applicant or Project Attributes. Projects will be listed in priority order on the CWSRF Fundable Priority List and incorporated into the IUP to be submitted to EPA.

PROJECT RANKING

Once all pre-applications are received, GEFA will score all the pre-applications and rank projects in descending order. GEFA will identify the highest scoring projects and include on the fundable list as many high scoring project for which GEFA has financing available.

CWSRF PRINCIPAL FORGIVENESS ELIGIBILITY

CWSRF Affordability Criteria will be used to determine principal forgiveness eligibility within Georgia's CWSRF loan program administered by GEFA. The criteria is based on weighted factors for median household income (MHI), unemployment rate and population trends of the borrower (or the project area if the project area is located in a different jurisdiction) or the type of project. The CWSRF Affordability Criteria is included within this document on page 5.

CWSRF INTEREST RATES

Projects funded through the CWSRF program have the ability to borrow with various terms and varying interest rates. Please access GEFA's website for current loan interest rates, loan terms and project-based interest rate concessions. (<http://gefa.georgia.gov/current-loan-rates>).

CWSRF PROJECT DEADLINES

Those projects that are provided principal forgiveness (if applicable) will be subject to strict project deadlines identified below. All projects that receive principal forgiveness must complete the following tasks by June 30, 2017, in order maintain the principal forgiveness allotment. All projects which receive principal forgiveness (if applicable) will be invited to submit an official application. Further details on these deadlines will be provided within that formal invitation.

1. Submit Application Part I
2. Submit Application Part II
3. Receive a Notice of No Significant Impact (NONSI) or Categorical Exclusion (CE) from EPD
4. Receive a GEFA board approval
5. Sign the loan agreement with GEFA

FEDERAL REQUIREMENTS

DAVIS-BACON WAGE RATE REQUIREMENT

Due to the federal source of funds of the CWSRF program, Davis-Bacon wage rate requirements apply to all “treatment works” projects funded by the CWSRF program. The Borrower shall insert in full in any contract in excess of \$2,000 that is entered into for actual construction, alteration and/or repair of a public treatment works, financed in whole or in part from the CWSRF program and that is subject to the requirements of the Davis-Bacon Act, the document entitled “Supplemental General Conditions for Federally-Assisted State Revolved Fund” which can be located on the GEFA website at www.gefa.georgia.gov/loan-documents.

AMERICAN IRON AND STEEL

Due to the federal source of funds of the CWSRF program, American Iron and Steel requirements apply to all “treatment works” projects funded via the CWSRF program. The Borrower shall insert in full in any contract that is entered into for construction, alteration, and/or repair of a public treatment works, financed in whole or in part from CWSRF program, the document entitled “American Iron and Steel (AIS) Special Conditions,” which can be located on the GEFA website at www.gefa.georgia.gov/loan-documents.

STATE ENVIRONMENTAL REVIEW PROCESS

All projects funded through the CWSRF program must undergo an environmental review via the EPA-approved State Environmental Review Process (SERP). This environmental review is conducted by EPD through either a Categorical Exclusion (CE) or Notice of No Significant Impact (NONSI) process. This process is designed to address issues such as environmental impact, potential historical preservation issues, potential endangered species concerns, and permit compliance. Borrowers should review the “Guidance Document for Project Requirements” document, which can be located on the GEFA website at www.gefa.georgia.gov/loan-documents.

DISADVANTAGED BUSINESS ENTERPRISE (DBE)

As a part of GEFA's loan agreement, loan recipients are required to encourage the participation of small minority- and women-owned businesses in all project subcontracts. The state's DWSRF percentage goals through September 30, 2016, are 4 percent for Minority Business Enterprises (MBE) and 4 percent for Women Business Enterprises (WBE). Borrowers should review the “Supplemental General Conditions for Federally-Assisted State Revolved Fund,” which can be located on the GEFA website at www.gefa.georgia.gov/loan-documents.

FISCAL SUSTAINABILITY PLANS

Borrowers from the CWSRF program that will repair, replace, or expand “treatment works” with CWSRF funds must certify that it has developed and implemented a fiscal sustainability plan that includes:

1. An inventory of critical assets that are a part of the treatment works;
2. An evaluation of the condition and performance of inventoried assets or asset groupings;
3. A certification that the recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan; and
4. A plan for maintaining, repairing, and, as necessary, replacing the treatment works and a plan for funding such activities; or

Loan agreements signed between GEFA and the borrower will contain certification language pertaining to this Fiscal Sustainability requirement.

PROPOSED TIMELINE FOR FUNDING

October 29, 2015 – Project solicitation information released

December 31, 2015 – Deadline to submit pre-application via the GEFA website at www.gefa.org

January 29, 2016 – IUP posted on the GEFA website

February 4, 2015 – *Tentative* Public meeting for the 2016 CWSRF IUP and Fundable Priority List

February 8, 2015– IUP submission to EPA for approval

July 1, 2016 – *Tentative* EPA approval of 2016 CWSRF award

Georgia Environmental Finance Authority 2016 CWSRF Affordability Criteria

The Clean Water State Revolving Fund (CWSRF) Affordability Criteria will be used to determine principal forgiveness eligibility within Georgia's CWSRF loan program administered by the Georgia Environmental Finance Authority (GEFA). The criteria is based on weighted factors for median household income (MHI), unemployment rate and population trends of the borrower (or the project area if the project area is located in a different jurisdiction) or the type of project.¹ A borrower must receive a minimum of **10** points to qualify for principal forgiveness. Points awarded under the Affordability Criteria are independent of the enclosed Project Ranking Criteria. Points awarded under the Affordability Criteria are solely for the purpose of determining if a project is eligible for principal forgiveness. Points available for each factor are as follows:

1. Income

If the borrower's MHI (or the MHI of the project area if the project area is located in a different jurisdiction) is **below** \$39,343 (80 percent of the state's MHI of \$49,179), as determined by the U.S. Census Bureau, **eight** points will be awarded.

If the borrower's MHI (or the MHI of the project area if the project area is located in a different jurisdiction) is **above** \$39,343 (80 percent of the state's MHI of \$49,179), as determined by the U.S. Census Bureau, **one** point will be awarded.

2. Unemployment

If the borrower's unemployment rate (or the unemployment rate of the project area if the project area is located in a different jurisdiction) is **above** 7.2 percent (state of Georgia's unemployment rate), as determined by the U.S. Census Bureau, **seven** points will be awarded.

If the borrower's unemployment rate (or the unemployment rate of the project area if the project area is located in a different jurisdiction) is **below** 7.2 percent (state of Georgia's unemployment rate), as determined by the U.S. Census Bureau, **one** point will be awarded.

3. Population Trend

If the borrower's population (or the population of the project area if the project area is located in a different jurisdiction) **decreased** when comparing the 2000 Census to the 2010 Census as determined by the U.S. Census Bureau, **two** points will be awarded.

If the borrower's population (or the population of the project area if the project area is located in a different jurisdiction) **increased** when comparing the 2000 Census to the 2010 Census as determined by the U.S. Census Bureau, **one** point will be awarded.

4. Project Type

If the borrower will complete a project that **will** implement a process, material, technique, or technology to address any of the following, **seven** points will be awarded. Projects eligible for these points must be constructed solely to address one of the items below and cannot be combined with an ineligible activity:

- a. Water-efficiency goals
- b. Energy-efficiency goals
- c. Mitigate stormwater runoff

If the borrower **will not** complete a project that will implement a process, material, technique, or technology to address any of the items above, **zero** points will be awarded.

Water-efficiency goals can be found on GEFA's website at <http://gefa.georgia.gov/water-conservation-financing>.

Energy-efficiency goals can be found on GEFA's website at <http://gefa.georgia.gov/energy-conservation-financing>.

Projects to mitigate stormwater runoff include, but are not limited to, green infrastructure, stormwater conveyance infrastructure and other flood control measures, installation of stormwater best management practices (BMPs) and other stormwater treatment systems, acquisition of stream buffer, stream restoration, floodplain management projects and other land conservation projects with a water quality benefit.

¹ American FactFinders Five -Year Estimates (2009-2013), <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

Principal forgiveness funds will be allocated to those projects that receive the highest score based upon the Project Ranking Criteria used in the CWSRF 2016 project solicitation process **and** projects completed by an applicant that scores at least **10** points on the CWSRF Affordability Criteria. GEFA reserves the right to consider some non-governmental organizations eligible for principal forgiveness for land conservation projects.

**Georgia Environmental Finance Authority
2016 CWSRF Project Solicitation
Project Ranking Criteria
(Maximum Point Total - 100 Points)***

Projects will be rated in four categories to determine their eligibility and selection for funding under the CWSRF Program.

CLEAN WATER SRF

CLEAN WATER STATE REVOLVING FUND SCORING SYSTEM

1. Readiness To Proceed (maximum of 30 points)
2. Compliance Benefit (maximum of 20 points)
3. Project Benefits (Select all benefits that apply from each category)
 - a. Stormwater Management, Green Infrastructure, Nonpoint Source and Sourcewater Protection Benefits (maximum of 40 points)
 - b. Energy Conservation, Efficiency and Production Benefits (maximum of 40 points)
 - c. Wastewater Collection, Conveyance and Treatment Benefits (maximum of 40 points)
4. Other Applicant or Project Attributes (maximum of 10 points)

CLEAN WATER STATE REVOLVING FUND SCORING SYSTEM – DETAILED BREAKDOWN

1. Readiness To Proceed

CHECK ALL THAT APPLY (maximum of 30 points)

- | | |
|---|--------|
| a. Compliance with State Nonpoint Source Management Plan verified | 30 pts |
| b. State Environmental Review Process complete – NONSI or CE issued | 20 pts |
| c. State Environmental Review Process progress – NONSI or CE approved | 10 pts |

2. Compliance Benefits

CHECK HIGHEST LEVEL BELOW THAT APPLIES (maximum of 20 points)

- | | |
|---|--------|
| a. Project is needed to fully address deficiencies documented in Emergency or Administrative Order from EPA or EPD (Order #: _____) | 20 pts |
| b. Project will support implementation of a Total Maximum Daily Load (TMDL) plan (applicable TMDL, water body name and water body ID) | 15 pts |
| c. Project is needed to achieve / maintain compliance with applicable permit (NPDES, LAS, MS4) (Permit #: _____) | 10 pts |
| d. Project is needed to achieve or maintain compliance with Georgia's Nonpoint Source Management Plan | 5 pts |

- 3. Project Benefits** – Please select all benefits that apply within each category. (Stormwater Management, Green Infrastructure, Nonpoint Source and Sourcewater Protection Benefits, Energy Conservation, Efficiency and Production Benefits, and Wastewater Collection, Conveyance and Treatment Benefits) (maximum of 40 points available for Project Benefits category)

Stormwater Management, Green Infrastructure, Nonpoint Source and Sourcewater Protection, Benefits

CHECK ANY BELOW THAT APPLY (maximum of 40 points)

- | | |
|---|--------|
| a. Project involves the permanent protection of a wellhead protection or groundwater recharge area or land within a designated Source Water Protection Area. | 35 pts |
| b. Project will reduce non-point source pollution and provide passive recreation facilities open for public access. | 30 pts |
| c. Project will allow a stream segment currently listed as “non-attaining of designated use” on either the 303(d) list or the 305(b) list to meet its designated use. | 25 pts |
| d. Project includes permanent protection of stream buffer zones and/or wetlands. | 20 pts |
| e. Project uses green infrastructure and/or non-structural Best Management Practices (BMP) to reduce nonpoint source pollution. | 15 pts |
| f. Project will support creation of a Stormwater Management Program or implementation of a Stormwater Management Plan. | 10 pts |

Energy Conservation, Efficiency and Production Benefits*CHECK ANY BELOW THAT APPLY* (maximum of 40 points)

- | | |
|---|--------|
| a. Project will create renewable energy from wind, solar, geothermal, biogas, or micro-hydroelectric and provide power to the utility. Power must feed into the grid in which the utility draws from and/or directly connects to the utility. | 35 pts |
| b. Project will reduce energy consumption at a wastewater treatment facility and/or collection system by 20 percent or more. | 20 pts |
| c. Project designed to reduce energy consumption by the utility via the replacement of pumps and/or motors, blowers, SCADA equipment, inflow and infiltration correction, lighting upgrades or other energy savings products or processes. | 15 pts |
| d. Energy management planning projects, including energy assessments, energy audits, optimization studies, and other projects designed to determine high energy use areas. | 10 pts |

Wastewater Collection, Conveyance and Treatment Benefits*CHECK ANY BELOW THAT APPLY* (maximum of 40 points)

- | | |
|--|--------|
| a. Project will allow a stream segment currently listed as “non-attaining of designated use” on either the 303(d) list or the 305(b) list to meet its designated use. | 30 pts |
| b. Project will allow a facility to attain a level of treatment that is more stringent than secondary treatment or produces a significant reduction in non-conventional or toxic pollutants. (BOD, Nitrogen, Phosphorus, Ammonia, Metals, Synthetic Organic Chemicals) | 25 pts |
| c. Project will reduce sanitary sewer overflows (SSO). | 20 pts |
| d. Project will eliminate leaking / failing septic systems. | 15 pts |

4. Other Applicant or Project Attributes*CHECK ANY BELOW THAT APPLY* (maximum of 10 points)

- | | |
|---|--------|
| a. Project will increase system operating revenues or decrease system operating expenses by more than 10 percent leading to the greater financial integrity of the utility. | 10 pts |
| b. Project benefits more than one system or community (e.g. interconnection of two or more public utilities). | 10 pts |
| c. Project entails the use of new, promising technology or represents an innovative approach to ensuring water quality and protecting human health. | 5 pts |

* GEFA reserves the right to verify any information submitted within the pre-application.